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September 28, 1999

David Waddell
Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Application of Access Integrated Networks, Inc.
Docket No. 99-00644

Dear Mr. Waddell:

Pursuant to your letter of September 20, 1999, Access Integrated Networks, Inc. ("AIN") hereby provides an original and thirteen (13) copies of the following information to supplement its application, which was filed on September 1, 1999 (the "Application").

Network

1. Provide the following information concerning the network if proposes to provision in Tennessee:

- (a) Geographic area proposed in Tennessee.

Response: As indicated in its Application, AIN seeks statewide authority. AIN anticipates that its initial areas of service will be in Nashville, Memphis, Knoxville, and Chattanooga.

- (b) In what cities will the switches be located?

Response: As indicated in its Application (page 4), and as explained in more detail in response to question 1(c) below, AIN will provide its services through resale except where it is more cost effective for AIN to purchase unbundled network elements from BellSouth, pursuant to its "Professional Services and Combinations Agreement" (the "Agreement") with BellSouth, to provide its telecommunications services. AIN would expect that it would use unbundled network elements combinations primarily in more urban locations. AIN cannot predict with certainty at this time where switches will be necessary; however, such switches are likely in Nashville, Memphis, Knoxville, and Chattanooga where AIN

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initially intends to provide services. More important, as explained below, AIN will purchase such switching capacity from BellSouth through the Agreement in those locations where it is necessary to have switches.

(c) How Access Integrated Networks, Inc.'s network will be deployed.

Response: AIN will provide telecommunications services via resale except where it is more cost effective for AIN to purchase unbundled network elements from BellSouth to provide its telecommunications services. Specifically, AIN has entered into the Agreement, which is an exhibit to AIN's interconnection agreement with BellSouth that will be filed with the TRA. The Agreement obligates BellSouth to combine certain network elements for AIN's use: "BellSouth will use its professional, technical and engineering expertise to provide to [AIN] the combinations of unbundled network elements set forth in Appendix A hereto, as that appendix is amended from time to time." Agreement at § 4.1.1. Currently, BellSouth has agreed to combine loops, ports, and switches for AIN's use. The Agreement also requires the parties to establish procedures for the development of additional combinations to be available to AIN under the Agreement. Agreement at § 4.1.2. Through this Agreement, AIN is and will be able to obtain from BellSouth combined unbundled network elements necessary to provision AIN's customers. Because AIN will use unbundled network elements in certain instances, rather than resale, it has filed a CCN application instead of a reseller application. Again, as noted above, AIN does not currently know for certain which locations will require unbundled network elements. Such determinations will be made on a case-by-case basis based on the comparative costs of serving a customer or location via resale versus unbundled network elements.

(d) Type of equipment proposed such as DMS-100, 5ESS, or Fiber rings, etc.

Response: As discussed, AIN cannot predict with certainty which network elements it will need to serve its customers. AIN, however, is permitted to combine 2-wire analog voice-grade loops and 2-wire analog ports, among other network elements. It will also have access to BellSouth trunks, switches, and transport facilities pursuant to the Agreement (see Appendix B).

2. Provide information on the company's telecom engineering firm on retainer. If not, are any electrical engineers on staff?

Response: AIN does not have an engineering firm on retainer or electrical engineers on staff. Through the Agreement, BellSouth will provide engineering support for AIN to handle maintenance and repair where necessary.

Financial

1. Provide current audited financial statements for Access Integrated Networks, Inc., including an income statement, balance sheet, and statement of cash flows.

Response: Subsequent to this request, and pursuant to conversations with Darrell Whitis of the TRA's Telecommunications Division, Mr. Whitis informed me that audited financial statements are not required. AIN's current unaudited financial statements are attached to its Application as Exhibit 3.

2. Provide the cost of the proposed network, switches, or unbundled network elements (UNEs), etc.

Response: In its Pro Forma P/L Financial Statements, attached as Exhibit 5 to its Application, AIN has listed its projected cost of sales (COS) for the provision of its telecommunications services. These projections include its payments to BellSouth for doing business via resale. Because unbundled network elements, as discussed above and in the Application, will only be used in instances where it is less expensive to serve a customer or location via unbundled network elements rather than resale, the projected costs in Exhibit 5 represent maximum projected costs of AIN if resale is used exclusively. Such costs will decrease if unbundled network elements are used instead. In other words, the projected costs effectively represent the maximum projected costs for the provision of AIN's telecommunications services, whether provided through resale or the purchase of unbundled network elements.

3. Provide the details of the funding for its proposed network, equipment purchases, or payment for UNEs such as (a) Internally generated funds (cash, marketable securities); (b) Letters of Credit; (c) Loan commitments; and (d) Vendor credit.

Response: AIN funds its operations and network through cash generated by its ongoing operations (see Exhibit 3 attached to its Application) and through equity investments in the company (see Exhibit 4 attached to its Application).

4. Provide a three (3) year capital budget outlining what specific equipment for Tennessee will be deployed, where it will be deployed, and its cost. This will be for Tennessee

operations, as well as for the parent company if applicable (or for whoever is responsible for financing the Tennessee operation). In addition, state the sources of capital.

Response: AIN's Exhibit 5, attached to its Application, contains its three-year capital budget. As explained above, the cost of sales category in that exhibit contains AIN's projections of its costs for providing services through resale. Any capital costs for the use of unbundled network elements would fall within that category, and, in fact, reduce those costs because AIN will use unbundled network elements only in those instances where it is more cost effective to serve a customer or location through that approach rather than resale.

Toll Dialing Parity Plan

1. If Access Integrated Networks, Inc. intends to provide voice grade service, the company needs to file an appropriate toll dialing parity plan for TRA consideration at least 60 days prior to offering voice grade service.

Response: AIN attached its toll dialing parity plan to its Application as Exhibit 10.

Miscellaneous

1. Provide notarized pre-filed testimony for the CLEC application. The testimony should describe the services to be provided; the applicant's technical, managerial and financial abilities to provide the services and affirm that all information submitted are true and correct.

Response: AIN attached the notarized pre-filed testimony of its President and CEO, William T. Wright, to its Application as Exhibit 11.

2. Provide a statement verifying that a tariff will be filed subsequent to the application's approval.

Response: AIN provided such a statement in its Application at page 4.

3. Update the company's telecommunications application status in other states.

Response: The description contained in AIN's Application (page 6) of the status of its applications in other states to provide telecommunications services remains unchanged.

4. Provide to the TRA a Wireline Activity Report on a monthly basis for applicants providing voice grade service.

Response: No response is currently necessary.

5. Does the applicant require customer deposits? If yes, what is the amount required? Is the applicant bonded for the amount of the deposits?

Response: As stated in its Application (page 7), AIN does not routinely require customer deposits but may request them in certain circumstances. AIN has stated the terms, conditions, and amounts for such deposits in its tariffs. See, e.g., Local Exchange Services Tariff T.R.A. No. 1 at pp. 37-38, § 2.5.5; Access Services Tariff T.R.A. No. 2 at pp. 45-46, § 2.5.4. AIN is not bonded for such deposits.

6. Will Tennessee customers be required to incur any non-recurring charges to initiate service with the applicant? If yes, list these charges.

Response: As stated in its Application (page 7), AIN does require certain non-recurring charges for initiating service. These charges are included in AIN's tariffs. See, e.g., Local Exchange Services Tariff T.R.A. No. 1, at pp. 53-54, 61-62; Access Services Tariff T.R.A. No. 2, at pp. 88-89.

7. Provide copies of any BellSouth agreements referenced in the application.

Response: Attached as Exhibit 12 is a copy of AIN's interconnection agreement with BellSouth, including Attachment 14 - the "Professional Services and Combinations Agreement." The full interconnection agreement with all attachments will be filed by BellSouth.

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Access Integrated Networks, Inc.
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If you have any questions concerning this information or other information provided by
Access Integrated Networks, Inc., please call me.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

A handwritten signature in black ink, appearing to read "Michael B. Bressman", with a long horizontal flourish extending to the right.

By:

Michael B. Bressman

Attachments

cc: Darrell Whitis

Exhibit 12

BellSouth Agreements

**INTERCONNECTION AGREEMENT
BETWEEN
BELL SOUTH TELECOMMUNICATIONS INC.
AND
ACCESS INTEGRATED NETWORKS, INC.**

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AGREEMENT

THIS AGREEMENT is made by and between BellSouth Telecommunications, Inc., ("BellSouth"), a Georgia corporation, and ACCESS Integrated Networks, Inc. ("ACCESS Integrated"), a Georgia corporation, and shall be deemed effective as of the date signed by both BellSouth and ACCESS Integrated. This agreement may refer to either BellSouth or ACCESS Integrated or both as a "Party" or "Parties."

WITNESSETH

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, ACCESS Integrated is an competitive local exchange telecommunications company ("CLEC") authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, the Parties wish to interconnect their facilities, purchase unbundled elements, and exchange traffic specifically for the purposes of fulfilling their obligations pursuant to sections 251 and 252 of the Telecommunications Act of 1996 ("the Act").

NOW THEREFORE, in consideration of the mutual agreements contained herein, BellSouth and ACCESS Integrated agree as follows:

1. Purpose

The Parties agree that the rates, terms and conditions contained within this Agreement, including all Attachments, comply and conform with each Party's obligations under sections 251 and 252 of the Act. The access and interconnection obligations contained herein enable ACCESS Integrated to provide competing telephone exchange service to residential and business subscribers within the territory of BellSouth. The Parties agree that ACCESS Integrated will not be considered to have offered interconnection in any state within BellSouth's region until such time as it has ordered interconnection facilities for the purposes of providing business and/or residential local exchange service to customers.

2. Term of the Agreement

- 2.1 The term of this Agreement shall be two years, beginning on the date signed by both BellSouth and ACCESS Integrated, except as set forth in Attachment 14 of this Agreement, and shall apply to the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.
- 2.2 The Parties agree that by no later than one hundred and eighty (180) days prior to the expiration of this Agreement, they shall commence negotiations with regard to the terms, conditions and prices of local interconnection to be effective beginning on the expiration date of this Agreement ("Subsequent Agreement"). The Parties further agree that any such Subsequent Agreement shall be for a term of no less than two (2) years unless the Parties agree otherwise.
- 2.3 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 2.2, above, the Parties are unable to satisfactorily negotiate new local interconnection terms, conditions and prices, either Party may petition the Commission to establish appropriate local interconnection arrangements pursuant to 47 U.S.C. 252. The Parties agree that, in such event, they shall encourage the Commission to issue its order regarding the appropriate local interconnection arrangements no later than the expiration date of this Agreement. The Parties further agree that in the event the Commission does not issue its order prior to the expiration date of this Agreement, or if the Parties continue beyond the expiration date of this Agreement to negotiate the local interconnection arrangements without Commission intervention, the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the Parties, will be effective retroactive to the day following the expiration date of this Agreement. Until the Subsequent Agreement becomes effective, the Parties shall continue to exchange traffic pursuant to the terms and conditions of this Agreement. If an interconnection agreement is not negotiated or renewed, the termination liability set forth in Appendix A of Attachment 14 to this Agreement shall survive.

3. Ordering Procedures

- 3.1 ACCESS Integrated shall provide BellSouth its Carrier Identification Code (CIC), Operating Company Number (OCN), Group Access Code (GAC) and Access Customer Name and Address (ACNA) code prior to placing its first order.

- 3.2 Detailed procedures for ordering and provisioning BellSouth services are set forth in BellSouth's Local Interconnection and Facility Based Ordering Guide and Resale Ordering Guide, as appropriate.
- 3.3 BellSouth has developed electronic systems for placing most resale and some UNE orders. BellSouth has also developed electronic systems for accessing data needed to place orders including valid address, available services and features, available telephone numbers, due date estimation on pre-order and calculation on firm order, and customer service records where applicable. Charge for Operational Support Systems (OSS) shall be as set forth in this agreement in Exhibit A of Attachment 1 and in Attachment 11.

4. **Parity**

The services and service provisioning that BellSouth provides ACCESS Integrated for resale will be at least equal in quality to that provided to BellSouth, or any BellSouth subsidiary, affiliate or end user. In connection with resale, BellSouth will provide ACCESS Integrated with pre-ordering, ordering, maintenance and trouble reporting, and daily usage data functionality that will enable ACCESS Integrated to provide equivalent levels of customer service to their local exchange customers as BellSouth provides to its own end users. BellSouth shall also provide ACCESS Integrated with unbundled network elements, and access to those elements, that is at least equal in quality to that which BellSouth provides BellSouth, or any BellSouth subsidiary, affiliate or other CLEC. BellSouth will provide number portability to ACCESS Integrated and their customers with minimum impairment of functionality, quality, reliability and convenience.

5. **White Pages Listings**

BellSouth shall provide ACCESS Integrated and their customers access to white pages directory listings under the following terms:

- 5.1. **Listings.** BellSouth or its agent will include ACCESS Integrated residential and business customer listings in the appropriate White Pages (residential and business) or alphabetical directories. Directory listings will make no distinction between ACCESS Integrated and BellSouth subscribers.
- 5.2. **Rates.** Subscriber primary listing information in the White Pages shall be provided at no charge to ACCESS Integrated or its subscribers provided that ACCESS Integrated provides subscriber listing information to BellSouth at no charge.

- 5.3 Procedures for Submitting ACCESS Integrated Subscriber Information. BellSouth will provide to ACCESS Integrated a magnetic tape or computer disk containing the proper format for submitting subscriber listings. ACCESS Integrated will be required to provide BellSouth with directory listings and daily updates to those listings, including new, changed, and deleted listings, in an industry-accepted format. These procedures are detailed in BellSouth's Local Interconnection and Facility Based Ordering Guide.
- 5.4 Unlisted Subscribers. ACCESS Integrated will be required to provide to BellSouth the names, addresses and telephone numbers of all ACCESS Integrated customers that wish to be omitted from directories.
- 5.5 Inclusion of ACCESS Integrated Customers in Directory Assistance Database. BellSouth will include and maintain ACCESS Integrated subscriber listings in BellSouth's directory assistance databases at no charge. BellSouth and ACCESS Integrated will formulate appropriate procedures regarding lead time, timeliness, format and content of listing information.
- 5.6 Listing Information Confidentiality. BellSouth will accord ACCESS Integrated's directory listing information the same level of confidentiality that BellSouth accords its own directory listing information, and BellSouth shall limit access to ACCESS Integrated's customer proprietary confidential directory information to those BellSouth employees who are involved in the preparation of listings.
- 5.7 Optional Listings. Additional listings and optional listings will be offered by BellSouth at tariffed rates as set forth in the General Subscriber Services Tariff.
- 5.8 Delivery. BellSouth or its agent shall deliver White Pages directories to ACCESS Integrated subscribers at no charge.

6. **Bona Fide Request/New Business Request Process for Futher Unbundling**

BellSouth shall, upon request of ACCESS Integrated, provide to ACCESS Integrated access to its unbundled elements at any technically feasible point for the provision of ACCESS Integrated's telecommunications service where such access is necessary and failure to provide access would impair the ability of ACCESS Integrated to provide services that it seeks to offer. Any request by ACCESS Integrated for access to an unbundled element that is not already available shall be treated as an unbundled element Bona Fide Request/New Business Request, and shall be submitted to BellSouth pursuant to the Bona Fide Request/New Business Request process set forth in Attachment 9.

7. **Liability and Indemnification**

7.1 **BellSouth Liability.** BellSouth shall take financial responsibility for its own actions in causing, or its lack of action in preventing, unbillable or uncollectible ACCESS Integrated revenues.

7.2 **Liability for Acts or Omissions of Third Parties.** Neither BellSouth nor ACCESS Integrated shall be liable for any act or omission of another telecommunications company providing a portion of the services provided under this Agreement.

7.3 **Limitation of Liability.**

7.3.1 Each Party's liability to the other for any loss, cost, claim, injury or liability or expense, including reasonable attorney's fees relating to or arising out of any negligent act or omission in its performance of this Agreement whether in contract or in tort, shall be limited to a credit for the actual cost of the services or functions not performed or improperly performed.

7.3.2 **Limitations in Tariffs.** A Party may, in its sole discretion, provide in its tariffs and contracts with its Customer and third parties that relate to any service, product or function provided or contemplated under this Agreement, that to the maximum extent permitted by Applicable Law, such Party shall not be liable to Customer or third Party for (i) any Loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such party would have charged that applicable person for the service, product or function that gave rise to such Loss and (ii) Consequential Damages. To the extent that a Party elects not to place in its tariffs or contracts such limitations of liability, and the other Party incurs a Loss as a result thereof, such Party shall

indemnify and reimburse the other Party for that portion of the Loss that would have been limited had the first Party included in its tariffs and contracts the limitations of liability that such other Party included in its own tariffs at the time of such Loss.

7.3.3 Neither BellSouth nor ACCESS Integrated shall be liable for damages to the other's terminal location, POI or other company's customers' premises resulting from the furnishing of a service, including, but not limited to, the installation and removal of equipment or associated wiring, except to the extent caused by a company's negligence or willful misconduct or by a company's failure to properly ground a local loop after disconnection.

7.3.4 Under no circumstance shall a Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, each Party recognizes that the other Party may, from time to time, provide advice, make recommendations, or supply other analyses related to the Services, or facilities described in this Agreement, and, while each Party shall use diligent efforts in this regard, the Parties acknowledge and agree that this limitation of liability shall apply to provision of such advice, recommendations, and analyses.

7.4 Indemnification for Certain Claims. BellSouth and ACCESS Integrated providing services, their affiliates and their parent company, shall be indemnified, defended and held harmless by each other against any claim, loss or damage arising from the receiving company's use of the services provided under this Agreement pertaining to (1) claims for libel, slander, invasion of privacy or copyright infringement arising from the content of the receiving company's own communications, or (2) any claim, loss or damage claimed by the other company's customer arising from one company's use or reliance on the other company's services, actions, duties, or obligations arising out of this Agreement.

7.5 No liability for Certain Inaccurate Data. Neither BellSouth nor ACCESS Integrated assumes any liability for the accuracy of data provided by one Party to the other and each Party agrees to indemnify and hold harmless the other for any claim, action, cause of action, damage, or injury that might result from the supply of inaccurate data in conjunction with the provision of any service provided pursuant to this Agreement.

7.6 Disclaimer. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY

REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, OR FACILITIES PROVIDED UNDER THIS AGREEMENT. THE PARTIES DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

8. Intellectual Property Rights and Indemnification

8.1 No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. ACCESS Integrated is strictly prohibited from any use, including but not limited to in sales, in marketing or advertising of telecommunications services, of any BellSouth name, service mark or trademark.

8.2 Ownership of Intellectual Property. Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership of that Party. Except for a limited license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.

8.3 Indemnification. The Party providing a service pursuant to this Agreement will defend the Party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving Party of such service and will indemnify the receiving Party for any damages awarded based solely on such claims in accordance with Section 7 of this Agreement.

8.4 Claim of Infringement. In the event that use of any facilities or equipment (including software), becomes, or in reasonable judgment of the Party who owns the affected network is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said Party shall promptly and at its sole expense, but subject to the limitations of liability set forth below:

- 8.4.1 modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or
- 8.4.2 obtain a license sufficient to allow such use to continue.
- 8.4.3 In the event 8.4.1 or 8.4.2 are commercially unreasonable, then said Party may, terminate, upon reasonable notice, this contract with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.
- 8.5 Exception to Obligations. Neither Party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or facilities (including software) not provided or authorized by the indemnitor provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.
- 8.6 Exclusive Remedy. The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this agreement.

9. **Treatment of Proprietary and Confidential Information**

- 9.1 Confidential Information. It may be necessary for BellSouth and ACCESS Integrated to provide each other with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data, call detail records and like information (hereinafter collectively referred to as "Information"). All Information shall be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend and that the Information will be returned to the owner within a reasonable time. The Information shall not be copied or reproduced in any form. BellSouth and ACCESS Integrated shall receive such Information and not disclose such Information. BellSouth and ACCESS Integrated shall protect the Information received from distribution, disclosure or dissemination to anyone except employees of BellSouth and ACCESS Integrated with a need to know such Information and which employees agree to be bound

by the terms of this Section. BellSouth and ACCESS Integrated will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

- 9.2 Exception to Obligation. Notwithstanding the foregoing, there will be no obligation on BellSouth or ACCESS Integrated to protect any portion of the Information that is: (1) made publicly available by the owner of the Information or lawfully disclosed by a Party other than BellSouth or ACCESS Integrated; (2) lawfully obtained from any source other than the owner of the Information; or (3) previously known to the receiving Party without an obligation to keep it confidential.

10. Assignments

Any assignment by either Party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. A Party may assign this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate company of the Party without the consent of the other Party. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment of delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations.

11. Resolution of Disputes

Except as otherwise stated in this Agreement, the Parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, either Party may petition the Commission for a resolution of the dispute. However, each Party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Agreement.

12. Taxes

- 12.1 Definition. For purposes of this Section, the terms "taxes" and "fees" shall include but not limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect to the services furnished hereunder or measured by the charges or payments therefore, excluding any taxes levied on income.

12.2 Taxes and Fees Imposed Directly On Either Seller or Purchaser.

12.2.1 Taxes and fees imposed on the providing Party, which are not permitted or required to be passed on by the providing Party to its customer, shall be borne and paid by the providing Party.

12.2.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, shall be borne and paid by the purchasing Party.

12.3 Taxes and Fees Imposed on Purchaser But Collected And Remitted By Seller.

12.3.1 Taxes and fees imposed on the purchasing Party shall be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.

12.3.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

12.3.3 If the purchasing Party determines that in its opinion any such taxes or fees are not payable, the providing Party shall not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefor, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be payable, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In any such contest, the purchasing Party shall promptly furnish the providing Party with copies of all filings in any proceeding, protest, or legal challenge, all rulings issued in connection therewith, and all correspondence between the purchasing Party and the taxing authority.

12.3.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible

for such payment and shall be entitled to the benefit of any refund or recovery.

- 12.3.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.
- 12.3.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.
- 12.3.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.
- 12.4 Taxes and Fees Imposed on Seller But Passed On To Purchaser.
- 12.4.1 Taxes and fees imposed on the providing Party, which are permitted or required to be passed on by the providing Party to its customer, shall be borne by the purchasing Party.
- 12.4.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.
- 12.4.3 If the purchasing Party disagrees with the providing Party's determination as to the application or basis for any such tax or fee, the Parties shall consult with respect to the imposition and billing of such tax or fee. Notwithstanding the foregoing, the providing Party shall retain ultimate responsibility for determining whether and to what extent any such taxes or fees are applicable, and the purchasing Party shall abide by such determination and pay such taxes or fees to the providing Party. The providing Party shall further retain ultimate responsibility for determining whether and how to contest the imposition of such taxes and fees;

provided, however, that any such contest undertaken at the request of the purchasing Party shall be at the purchasing Party's expense.

- 12.4.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.
- 12.4.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.
- 12.4.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other reasonable charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.
- 12.4.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.
- 12.5 Mutual Cooperation. In any contest of a tax or fee by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the other Party shall be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest.

13. Force Majeure

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other

circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

14. Year 2000 Compliance

Each party warrants that it has implemented a program the goal of which is to ensure that all software, hardware and related materials (collectively called "Systems") delivered, connected with BellSouth or supplied in the furtherance of the terms and conditions specified in this Agreement: (i) will record, store, process and display calendar dates falling on or after January 1, 2000, in the same manner, and with the same functionality as such software records, stores, processes and calendar dates falling on or before December 31, 1999; and (ii) shall include without limitation date data century recognition, calculations that accommodate same century and multicentury formulas and date values, and date data interface values that reflect the century.

15. Modification of Agreement

- 15.1 BellSouth shall make available to ACCESS Integrated any interconnection, service, or network element provided under any other agreement filed and approved pursuant to 47 USC § 252; provided however the parties shall adopt such other agreement in its entirety. The adopted agreement shall apply to the same states as such other agreement and for the identical term.
- 15.2 If ACCESS Integrated changes its name or makes changes to its company structure or identity due to a merger, acquisition, transfer or any other reason, it is the responsibility of ACCESS Integrated to notify BellSouth of said change and request that an amendment to this Agreement, if necessary, be executed to reflect said change.
- 15.3 No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.

- 15.4 Execution of this Agreement by either Party does not confirm or infer that the executing Party agrees with any decision(s) issued pursuant to the Telecommunications Act of 1996 and the consequences of those decisions on specific language in this Agreement. Neither Party waives its rights to appeal or otherwise challenge any such decision(s) and each Party reserves all of its rights to pursue any and all legal and/or equitable remedies, including appeals of any such decision(s).
- 15.5 In the event that any final and nonappealable legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of ACCESS Integrated or BellSouth to perform any material terms of this Agreement, ACCESS Integrated or BellSouth may, on thirty (30) days' written notice require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in Section 11.
- 15.6 If any provision of this Agreement, or the application of such provision to either Party or circumstance, shall be held invalid, the remainder of the Agreement, or the application of any such provision to the Parties or circumstances other than those to which it is held invalid, shall not be effective thereby, provided that the Parties shall attempt to reformulate such invalid provision to give effect to such portions thereof as may be valid without defeating the intent of such provision.

16. Waivers

A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

17. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia, without regard to its conflict of laws principles.

18. Arm's Length Negotiations

This Agreement was executed after arm's length negotiations between the undersigned Parties and reflects the conclusion of the undersigned that this Agreement is in the best interests of all Parties.

19. Notices

19.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BellSouth Telecommunications, Inc.

CLEC Account Team
9th Floor
600 North 19th Street
Birmingham, Alabama 35203

and

General Attorney - COU
Suite 4300
675 W. Peachtree St.
Atlanta, GA 30375

ACCESS Integrated

Tom Wright
121 North Crest Boulevard
Macon, GA 31210

or at such other address as the intended recipient previously shall have designated by written notice to the other Party.

19.2 Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

19.3 BellSouth shall provide ACCESS Integrated 45-day advance notice via Internet posting of price changes and of changes to the terms and conditions of services available for resale. To the extent that revisions

occur between the time BellSouth notifies ACCESS Integrated of changes under this Agreement and the time the changes are scheduled to be implemented, BellSouth will immediately notify ACCESS Integrated of such revisions consistent with its internal notification process. ACCESS Integrated may not hold BellSouth responsible for any cost incurred as a result of such revisions, unless such costs are incurred as a result of BellSouth's intentional misconduct. ACCESS Integrated may not utilize any notice given under this subsection concerning a service to market resold offerings of that service in advance of BellSouth.

20. Rule of Construction

No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

21. Headings of No Force or Effect

The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

22. Multiple Counterparts

This Agreement may be executed multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

23. Implementation of Agreement

Within 60 days of the execution of this Agreement, the parties will adopt a schedule for the implementation of the Agreement. The schedule shall state with specificity time frames for submission of including but not limited to, network design, interconnection points, collocation arrangement requests, pre-sales testing and full operational time frames for the business and residential markets. An implementation template to be used for the implementation schedule is contained in Attachment 15 of this Agreement.

24. Filing of Agreement

Upon execution of this Agreement it shall be filed with the appropriate state regulatory agency pursuant to the requirements of Section 252 of the Act. If the regulatory agency imposes any filing or public interest

notice fees regarding the filing or approval of the Agreement, said costs shall be borne by ACCESS Integrated

25. Entire Agreement

This Agreement and its Attachments, incorporated herein by this reference, sets forth the entire understanding and supersedes prior agreements between the Parties relating to the subject matter contained herein and merges all prior discussions between them, and neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

This agreement includes attachments with provisions for the following services:

Unbundled Network Elements (UNEs)
Local Interconnection
Resale
Collocation

The following services are included as options for purchase by ACCESS Integrated shall elect said services by written request to its Account Manager:

Optional Daily Usage File (ODUF)
Enhanced Optional Daily Usage File (EODUF)
Access Daily Usage File (ADUF)
Line Information Database (LIDB) Storage
Centralized Message Distribution Service (CMDS)
Calling Name (CNAM)

General Terms and Conditions - Part A
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IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year above first written.

BellSouth Telecommunications, Inc.


Signature

Jerry Hendrix
Name

Senior Director-Interconnection Services
Title

8/31/99
Date

ACCESS Integrated Networks, Inc.


Signature

William T. Wright
Name

President
Title

8-26-99
Date

Attachment 14
Professional Services and Combinations

Professional Services and Combinations

The Parties hereto agree that the rates, terms and conditions contained in this Attachment 14 involve certain duties and obligations entered into voluntarily by BellSouth and that BellSouth is not obligated by the terms of the Telecommunications Act of 1996 (the "Act"), nor by the terms of any state or federal order, to perform these duties and obligations. The Parties have entered into the duties and obligations contained in this Attachment 14 because of the economic benefits accruing to each party as a result of doing so. The Parties further acknowledge that certain of the duties and obligations set out in this Attachment 14 involve professional services rather than telecommunications services. Nonetheless, the Parties further recognize and agree that, BellSouth having voluntarily agreed to perform such duties and obligations, will make the rates, terms and conditions contained in this Attachment 14 available to any other local telecommunications carrier that agrees to be bound by rates, terms and conditions identical to those in this Attachment 14.

The Parties further acknowledge and agree that BellSouth's duties and obligations as set out in this Attachment 14 require BellSouth to combine network elements that, but for the Parties' agreement herein, BellSouth would not be required to provide or combine for any telecommunications carrier. Accordingly, the Parties agree that, to the extent this Attachment 14 requires BellSouth to undertake duties and obligations that it is not otherwise required to perform pursuant to any section of the Act nor pursuant to any current or future order of the Federal Communications Commission ("FCC") or of any state public service commission, such duties and obligations are not subject to the jurisdiction of the FCC or of any state public service commission, including but not limited to any authority to arbitrate the rates, terms and conditions for the offering of such combinations of network elements. To the extent that ACCESS Integrated asserts that any such rates, terms and conditions of this Attachment 14, are subject to the jurisdiction of the FCC or any state public service commission for the purpose of changing said rates, terms and conditions of this Attachment 14, or are subject to arbitration, then, the rates, terms and conditions of this Attachment 14 shall immediately become null and void and of no effect whatsoever as between the parties affected. If any person, entity or party exercising its rights under Section 252(i) of the Act (the "Adopting Party") or the FCC, any state public service commission, or any other person, entity or party asserts that any of the rates, terms and conditions of this Attachment 14 assumed by the Adopting Party are subject to the jurisdiction of the FCC or any state public service commission for the purpose of changing said rates, terms and conditions of this Attachment 14 or are subject to arbitration, then the rates, terms and conditions of any such contract or agreement based upon this Attachment 14 shall immediately become null and void and of no effect whatsoever as between the parties affected. In the case of a ruling of a state public service commission, this Attachment 14 shall be null and void in that state only and the services shall be converted to resale.

Notwithstanding the foregoing, if during the term of this Attachment 14, should the FCC, any state public service commission, or any arbitrator appointed and acting pursuant to section 252(b) of the Act, require BellSouth to provide to another CLEC, that has not agreed to be bound by rates, terms and conditions substantially identical to the rates, terms and conditions contained within this Attachment 14, some or all of the professional services provided for herein, including a combination of network elements, then as to ACCESS Integrated and BellSouth, this Attachment 14 shall become null and void only in that state or jurisdiction where the ruling is effective and no early termination charges shall be applied to ACCESS Integrated. Upon this event, BellSouth and ACCESS Integrated shall only be required to continue fulfilling their obligations under this Attachment 14 for a period of sixty (60) days following the ruling becoming final and nonappealable. During the sixty day period, BellSouth and ACCESS Integrated shall renegotiate in good faith the terms and conditions of this Attachment 14 consistent with the final and nonappealable ruling for the states affected by said ruling. If the Parties cannot reach a mutually acceptable agreement within such sixty day period, the rates for ACCESS Integrated's embedded base shall revert to the appropriate jurisdiction's resale rate for such services. No nonrecurring charge will be assessed for the conversion of the embedded base to resale rates.

The Parties agree that any telecommunications carrier may obtain the totality of the identical rates, terms and conditions of this Attachment 14 pursuant to Section 252(i) of the Act. The Parties further acknowledge that all of the rates, terms and conditions contained in this Attachment 14 are interdependent upon and related to one another and that the Parties would not have agreed to any or all of this Attachment 14 if any of the rates, terms and conditions of this Attachment 14 were or are altered in any way.

1. Term

BellSouth shall provide and ACCESS Integrated shall purchase the combinations described in this Attachment for a period of seven (7) years from the effective date of the Agreement. The Parties recognize that this period of 7 years is longer than the term of the Agreement. Accordingly, the Parties agree that, for purposes of this Attachment 14, and for the duration of this Attachment 14, they shall be bound by the terms and conditions, including but not limited to the rates, set out in the Agreement as well as in any subsequent interconnection agreement that may be entered into by the Parties as a result of negotiation, arbitration, adoption of another company's interconnection agreement, or otherwise. The governing terms and conditions for any given time shall be those set out in the interconnection agreement in effect between the Parties at such time. If, at the expiration of the Agreement or any subsequent interconnection agreement, ACCESS Integrated does not enter into a replacement interconnection agreement with BellSouth, then this Attachment 14 shall terminate, provided however, that the termination liabilities set forth in Appendix A shall survive the termination of this Attachment 14.

Attachment 14
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If after sixty (60) days of signing the Agreement where both Parties have made a good faith and best effort attempt to implement the Agreement, ACCESS Integrated determines there are operational or technical impairments to the implementation, ACCESS Integrated will provide BellSouth, in writing, those operational or technical impairments. Within fifteen (15) days of receiving the notification the Parties will develop a process improvement plan to meet the requirements specified by ACCESS Integrated. If after sixty (60) days from the development of the process improvement plan BellSouth has not met the requirements specified in the plan, ACCESS Integrated may terminate the Agreement without invoking the early termination charges reflected in Appendix A to this Attachment.

2. Minimum Volume

ACCESS Integrated shall utilize professional services from BellSouth provided under this Attachment as defined in Appendix A, which may be amended from time to time to add other network combinations, for business and residence applications for a minimum of ninety (90) percent of its total local business, voice and data located in BellSouth's franchised territory. This percentage shall be maintained during the term of the Agreement irrespective of any growth in retail business experienced by ACCESS Integrated. Within sixty (60) days of the execution of the Agreement, the Parties agree to establish the procedures for measuring the minimum volume percentages during the audits. Resold services will not be included as a combination purchased from BellSouth nor included as part of ACCESS Integrated's local market share. Upon first sending BellSouth a written request and allowing BellSouth 60 days to respond to the request, ACCESS Integrated may pursue alternative solutions from entities other than BellSouth for any combinations not listed in Appendix A as it may be amended by mutual agreement of the Parties during the term of the Agreement or any subsequent interconnection agreement.

3. Failure to Attain or Maintain Minimum Volume

3.1 ACCESS Integrated shall attain, within one month from the execution of the Agreement, the Minimum Volume, as set forth in Section 2 of this Attachment 14 for all MSAs.

3.2 If at any time after one month of the execution of the Agreement, ACCESS Integrated is not in compliance with the Minimum Volume requirement outlined in this Attachment, BellSouth may send a "Notice of Failure to Maintain Minimum Volume," pursuant to which ACCESS Integrated shall have sixty (60) days to demonstrate that it has met the Minimum Volume requirement. If, after sixty (60) days, ACCESS Integrated is unable to demonstrate compliance with the Minimum Volume requirement, BellSouth shall have the right to refuse additional orders for Professional Services, and all new orders shall be treated as resold service and have the resale discount applied pursuant to the

ACCESS Integrated Resale Agreement.

- 3.3 If after ninety (90) days from the transmittal of the "Notice of Failure to Maintain Minimum Volume," ACCESS Integrated is still unable to demonstrate it has complied with the Minimum Volume requirement, then all existing services combined pursuant to this Attachment 14 shall be converted to and otherwise treated as resold services and shall be priced at the retail rate for such service less the resale discount, as set forth in the ACCESS Integrated Resale Agreement, on a going-forward basis. This action will invoke the termination penalties as described in Appendix A of this Attachment 14 and this Attachment 14 shall be deemed terminated without further action from either party.

4. Professional Services Performed by BellSouth

4.1 Services Available

- 4.1.1 Existing Services BellSouth will use its professional, technical and engineering expertise to provide to ACCESS Integrated the combinations of unbundled network elements set forth in Appendix A hereto, as that appendix is amended from time to time (BellSouth's provision of such combinations is hereinafter referred to as "Professional Services").

- 4.1.2 Product and Processes Development Within sixty (60) days of the execution of the Agreement, the Parties agree to establish procedures for the development of additional combinations to be combined under this Agreement and the price for the Professional Services associated with those combinations.

5. Ordering, Provisioning and Billing

- 5.1 The Professional Services ordered via this Attachment 14 must be ordered electronically through EDI or TAG. Alternative processes for ordering the Professional Services other than via EDI or TAG may be mutually developed and must be agreed to by both Parties.

- 5.2 ACCESS Integrated is limited to a maximum of 25 lines per Local Service Request that require Professional Services.

- 5.3 Maintenance, Repair, and Testing

ACCESS Integrated shall use the CLEC TAFI or the ECTA interfaces for maintenance, repair, and testing of all combinations provided under this Agreement, unless a specific combination is not supported by one of these interfaces.

5.4 Billing

5.4.1 Professional Services shall be billed in the same format using the same process as ACCESS Integrated is currently billed for Unbundled Network Elements as set forth in Attachment 7 to the Agreement.

5.4.2 Payment Responsibility. Payment of the Professional Services will be the responsibility of ACCESS Integrated. ACCESS Integrated shall make payment to BellSouth for all services as set forth in Attachment 7 to the Agreement.

6. Rates

6.1. The recurring and nonrecurring rates for the services provided in this Attachment 14 shall be as set forth in Appendix B as this Attachment 14 is amended from time to time.

6.2 ACCESS Integrated will pay for each combination BellSouth combines pursuant to this Attachment a Professional Services Coordination Fee ("PSCF"). The PSCF for each category of combinations are as set forth in Appendix A of this Attachment 14.

7. Audits

7.1 The following audit procedures shall apply.

7.1.1 Subject to ACCESS Integrated's reasonable security requirements and except as may be otherwise specifically provided in the Agreement, BellSouth has the right to audit ACCESS Integrated's books, records and other documents every six (6) months, with the first audit to take place on or anytime after, the first anniversary date of the Agreement for the purpose of determining whether ACCESS Integrated has satisfied its Minimum Volume obligations. BellSouth may employ other persons or firms for this purpose. Such audit shall take place at a time and place agreed on by the Parties no later than thirty (30) days after notice thereof to BellSouth.

7.1.2 ACCESS Integrated shall cooperate fully in any such audit, providing reasonable access to any and all appropriate ACCESS Integrated employees and books, records and other documents reasonably necessary to determine whether the minimum volume obligation has been met.

7.1.3 BellSouth may audit ACCESS Integrated's books, records and documents more frequently than once every six months during any Contract Year at its discretion

if the previous audit found a variance of two percentage points or more below the Minimum Volume.

- 7.1.4 Audits shall be at BellSouth's expense, subject to reimbursement by ACCESS Integrated in the event that an audit finds a variance, on an annualized basis, of two percentage points or more below the Minimum Volume.

8. Termination for Cause

- 8.1 In the event of breach of any material provision of this Attachment 14 by either Party, other than as set for in Section 3 above, the non-breaching party shall give the other Party written notice thereof, and:

- 8.1.1 If such material breach is for non-payment of amounts due hereunder, the breaching party shall cure such breach within thirty (30) days of receiving such notice, and if the breaching party does not, the non-breaching party may, at its sole option, terminate this Attachment 14, or any parts hereof. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach. Amounts disputed in good faith and withheld or set off shall not be deemed "amounts due hereunder" for the purpose of this provision.

- 8.1.2 If such material breach is for any failure to perform in accordance with this Attachment, which adversely affects the non-breaching party's subscribers, the non-breaching party shall give notice of the breach and the breaching party shall cure such breach within thirty (30) business days, and if the breaching party does not, the non-breaching party may, at its sole option, terminate this Attachment 14, or any parts hereof. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach.

- 8.1.3 If such material breach is for any other failure to perform in accordance with this Attachment 14, the breaching party shall cure such breach to the non-breaching party's reasonable satisfaction within forty-five (45) days, and if it does not, the non-breaching party may, at its sole option terminate this Attachment 14, or any parts hereof. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach.

- 8.1.4.1 Notice under this Section 8 may be given electronically or by facsimile and in such case shall be deemed received when sent.

9. Purchase or Acquisition

- 9.1 Should ACCESS Integrated purchase a telecommunications company ("Telco") with existing facilities and that Telco is using those facilities to provide services equivalent to those described in Section 1 of Appendix A, and the combined amount of base line facilities of ACCESS Integrated and Telco would put ACCESS Integrated in non-compliance with the minimum volume requirement

of this Attachment 14, ACCESS Integrated may increase the existing capacity on each newly acquired switch by no more than 50% of the circuits currently on that switch for the remaining term of the Agreement, or until ACCESS Integrated is in compliance with the minimum volume requirement. ACCESS Integrated will only use the original Telco facilities for growth and churn, not for transferring services provided by BellSouth to ACCESS Integrated under this Agreement. Services on the acquired facilities, plus the allowed growth percentage, on or added to the existing facilities of Telco plus services on switches exempted in section 14 of this Attachment that are equivalent to the services described in Appendix A of this Attachment will not be included in determining the minimum volume requirement stated in this agreement. Equivalent services on any other switches not included in the acquisition or any peripherals added to the acquired switches, whether purchased, leased, or rented by ACCESS Integrated will be included in determining the total number of equivalent services in place to establish minimum volume requirements.

9.2 Should ACCESS Integrated ever be acquired by another telecommunications company ("Telco"), ACCESS Integrated agrees that the following term shall apply to the assumption of this Attachment 14, and that if Telco does not agree to such terms, this Attachment 14 shall become null and void and of no further effect, and that the termination liability set forth in Appendix A of this Attachment shall apply:

9.2.1 Telco may increase the services on each newly acquired exempted switch in accordance with Section 14 of this Attachment. If Telco has facilities that put Telco out of compliance with the minimum requirements of this Attachment, Telco may increase the existing capacity on each of their switches by no more than 50% of the circuits currently on that switch for the remaining term of the Agreement, or until Telco is in compliance with the minimum volume requirement. Services on Telco's existing switches, plus the allowed growth percentage, plus services on the acquired exempted facilities that are equivalent to the services described in Appendix A of the Attachment will not be included in determining the minimum volume requirement stated in this agreement. All equivalent circuits on the acquired switches that were not exempted under the ACCESS Integrated Agreement will be used to calculate the minimum volume requirement. Telco will only use the original Telco facilities existing at the time of the acquisition for growth and churn, not for transferring services originally provided by BellSouth to ACCESS Integrated under this Agreement. Equivalent services on any other switches, i.e. any nonexempt switches and/or switches not installed at the time of the acquisition or any peripherals added to the existing switches whether they be purchased, leased, or rented will be included in determining the total number of equivalent services in place to establish minimum volume requirements.

10. Assignment and Subcontract

10.1 Any assignment by either party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other party shall be void. A party may not assign this Attachment 14 or any right, obligation, duty or other interest hereunder to an Affiliate company of the party without the consent of the other party. All obligations and duties of any party under this Attachment 14 shall be binding on all successors in interest and assigns of such party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Attachment 14 in the event that the assignee fails to perform such obligations.

10.2 If any party's obligation under this Attachment 14 is performed by a subcontractor or affiliate, the Party subcontracting the obligation nevertheless shall remain fully responsible for the performance of this Attachment 14 in accordance with its terms, and shall be solely responsible for payments due its subcontractors or affiliates. No subcontractor or affiliate shall be deemed a third party beneficiary for any purposes under this Attachment 14.

11. Relationship of Parties

Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Attachment 14 and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations.

12. No Third Party Beneficiaries

The provisions of this Attachment 14 are for the benefit of the Parties hereto and not for any other person. This Attachment 14 shall not provide any person not a party hereto with any remedy, claim, liability, reimbursement, claim of action, or other right in excess of those existing without reference hereto.

13. Dispute Resolution Procedures

Any dispute arising out of or related to this Attachment 14 that cannot be resolved by negotiation shall be settled by binding arbitration in accordance with the J.A.M.S./ENDISPUTE Arbitration Rules and Procedures ("Endispute Rules"), as amended by this Attachment. The cost of arbitration, including the fees and expenses of the Arbitrator, shall be shared equally by the Parties unless the arbitration award provides otherwise. Each party shall bear the costs of preparing and presenting its case. The Parties agree that this provision and the Arbitrator's authority to grant relief shall be subject to the United States Arbitration Act, 9. U.S.C. 1-16 et seq. ("USAA"), the provisions of this Attachment and the ABA-AAA Code of ethics for Arbitrators in Commercial Disputes. The Parties agree that the Arbitrator shall have no power or authority to make awards or issue orders of any kind except as expressly permitted by

this Attachment, and in no event shall the Arbitrator have the authority to make any award that provides for punitive or exemplary damages. The Arbitrator's decision shall follow the plain meaning of the relevant documents and shall be final and binding. The award may be confirmed and enforced by any court of competent jurisdiction. All post-award proceedings shall be governed by the USAA.

14. Exempting Switches

The Parties understand that ACCESS Integrated has no facilities in the following locations:

A. Location	B. Single line equivalents of capacity existing	C. Single line equivalents of capacity potential	D. Total single line equivalents in service at present	E. Allowed growth at this location

If ACCESS Integrated had switches in place as of the date of execution of this Agreement, BellSouth would agree to exempt all circuits currently on the switch plus an additional 50% increase in circuits per switch from the minimum volume requirement which were in place no later than 90 days from the date of request to negotiate this Agreement. Equivalent services above the 50% growth rate or on any new facilities, i.e., any switches not included in the above table or any peripherals to existing switches whether they are purchased, leased, or rented, will be included in determining the total number of equivalent services in place to establish minimum volume requirements.

Attachment 14

Appendix A

Loop / Port Arrangement

1. Unbundled Network Elements that may be combined using the Professional Services Coordination Fee ("PSCF");

Combination (bundling) of Unbundled 2-wire Analog Voice-Grade Loop (SL1), Unbundled 2-wire Analog Port (both the monthly and usage-sensitive elements).

2. **Early Termination Charges**

The charge for early termination of this Agreement will be a per line charge on the average number of lines installed for the previous twelve (12) months prior to the termination charge taking effect. A \$90.00 (\$7.50 per line per month) per line charge will be assessed if the Agreement is terminated prior to the 3rd anniversary date of the Agreement. A \$60.00 (\$5.00 per line per month) per line charge will be assessed if the Agreement is terminated on or after the 3rd anniversary date and prior to the 5th anniversary date. A \$30.00 (\$2.50 per line per month) per line charge will be assessed if the Agreement is terminated on or after the 5th anniversary date.

3. **Ordering**

All services ordered associated with Attachment 14 of this Agreement must be ordered electronically. No manual orders will be accepted.

4. **Nonrecurring Charges**

Based on the Parties' assumption that 95% of the lines covered by this Attachment will be for existing lines involving services already in place, and only 5% will involve new installations, the Parties agree that the nonrecurring charge for each combination provided by BellSouth to ACCESS Integrated will be \$41.50. Should it be determined that the actual ratio is different than that set out in the preceding sentence, the Parties will either renegotiate the nonrecurring charge so that it will at least cover BellSouth's nonrecurring costs of providing combinations to ACCESS Integrated, or true-up the rates on a quarterly basis. In no event, shall such nonrecurring charge be reduced below \$41.50.

5. Rates

The recurring rates for the PSCF are as follows:

State	PSCF Zone 1	PSCF Zone 2A	PSCF Zone 2B	PSCF Zone 3
Alabama	\$5.30	9.30	\$15.30	\$20.30
Florida	\$5.30	9.30	\$15.30	\$20.30
Georgia	\$5.30	9.30	\$15.30	\$20.30
Kentucky	\$5.30	9.30	\$15.30	\$20.30
Louisiana	\$5.30	9.30	\$15.30	\$20.30
Mississippi	\$5.30	9.30	\$15.30	\$20.30
North Carolina	\$5.30	9.30	\$15.30	\$20.30
South Carolina	\$5.30	9.30	\$15.30	\$20.30
Tennessee	\$5.30	9.30	\$15.30	\$20.30

Zone 1 and Zone 3 are as defined in the FCC NECA 4 Tariff.

The following localities constitute Zone 2A and Zone 2B:

Zone 2A	Zone 2B
Mobile, AL	Huntsville, AL
Daytona, FL	Gainesville, FL
Hollywood, FL	Lafayette, LA
Pensacola, FL	Shreveport, LA
Pompano Beach, FL	Asheville, NC
Albany, GA	Wilmington, NC
Alpharetta, GA	Florence, SC
Augusta, GA	Spartanburg, SC
Columbus, GA	
Macon, GA	
Marietta, GA	
Savannah, GA	
Baton Rouge, LA	
Winston-Salem, NC	
Charleston, SC	
Greenville, SC	
Knoxville, TN	
Chattanooga, TN	

Attachment 14

Appendix B

The recurring and nonrecurring rates for the individual unbundled network elements are as follows:

2-Wire Analog Line Port Regional Rates (Res., Bus.) including all available features, per month (1), (2)	\$6.85
NRC – Disconnect Chg - 1 st	\$18.41
NRC – Disconnect Chg – Add'l	\$18.41
Regional Unbundled Usage Rates (1), (2)	
Unbundled Local Switching, per mou	\$0.0021025
End Office Trunk Port, per mou	\$0.0002287
Unbundled Interoffice Transport (Shared), per mile/per mou	\$0.0000101
Unbundled Interoffice Transport (Shared), Facilities Termination, per mou	\$0.0004593
Unbundled Tandem Switching, per mou	\$0.0007849
Unbundled Tandem Trunk Port, per mou	\$0.0003331
2-Wire Analog VG Loop-SL1, per month	
Alabama	\$19.04
Florida	\$17.00
Georgia	\$16.51
Kentucky	\$20.00
Louisiana	\$19.35
Mississippi	\$21.26
North Carolina	\$16.71
South Carolina	\$22.49
Tennessee	\$18.00
Notes:	
(1) The 2-Wire Analog Regional Port Rate is only available if ordered on the same LSR as an SL1 Loop and the Professional Services fee. Port and Loop elements must be used together and disconnected at the same time.	
(2) The combined NRC costs for a 2-Wire Analog Regional Port, SL1 Loop and Professional Services fee will total \$41.50.	